

# Workforce Housing Incentive Grant Program

**California Department of Housing &  
Community Development**



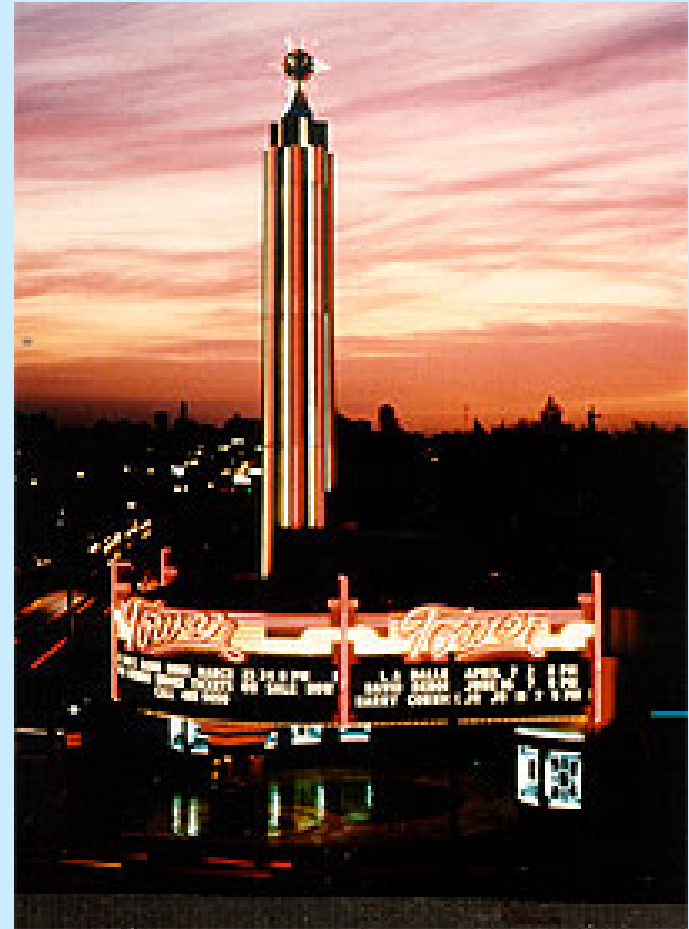
Housing lower  
income  
households ...  
the key to livable  
communities



- Welcome & Introductions
- PowerPoint Presentation – Q&A Welcome
- Break
- PowerPoint Presentation (continued)
- Wrap-up and Q&A
- Workshop Evaluation Forms
- Closing Remarks

# WFH Workshop Goals

- Overview of WFH Program Objectives
- Eligibility, Threshold & Other Requirements
- Grant & Bonus Awards
- Use of Grant Funds
- Respond To Your Questions



# WFH Authorization & Allocation

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Created by SB 423 (Torlakson), Statutes of 2002, Health & Safety Code 50550. Funded by the Housing and Emergency Shelter Trust Fund Act of 2002 (Prop 46 Housing Bond)

Successor to the Jobs Housing Balance Incentive Grant Program (JHB)

- \$20 million in Workforce Housing Incentive Grant (WFH) funds
- \$3 million in bonus funds for JHB grantees who apply and qualify for the WFH
- Three rounds of funding anticipated based on housing production in 2004, 2005, and 2006

# WFH Program Objectives

- Increase Affordable New Residential Construction (Rental & Ownership)
- Reward Compliance with State Housing Element Law
- Fund Community Benefit Construction and Acquisition Projects (Capital Assets)





# WFH Threshold Requirements for Cities and Counties



- Housing element must be adopted and found in compliance with State Housing Element Law (Article 10.6 of the Government Code) by December 31, 2004
- Annual General Plan Progress Report on the implementation of the Housing Element for 2003 submitted to HCD (NOFA Attachment D) by October 31, 2004
- Final Land Use Approval and Building Permits issued for affordable housing developments on or after January 1, 2004

# **Annual Progress Report on Implementation of the Housing Element (Section 65400 of the Government Code)**

## **Progress in Meeting Regional Housing Need**

- Total number of new housing permits issued
- Affordability, by income level, of new units, including the number of deed restricted affordable housing units.
- Compare units added to regional housing need allocation by income category (very low, low, moderate, and above moderate)

## **Effectiveness of the housing element in attainment of the community's housing goals and objectives**

- Program-by-program status report relative to implementation schedule from each program in the housing element;
- Describe actions taken to implement each program
- Assess effectiveness of actions and outcomes

## **Progress toward mitigating governmental constraints identified in the housing element.**

**ATTACHMENT D**  
**WFH Annual Progress Report**  
**on Implementation of the Housing Element**  
**General Plan Report requirement pursuant to**  
**Section 65400 of the Government Code**

Jurisdiction: \_\_\_\_\_

Address: \_\_\_\_\_

Contact: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Report Period: \_\_\_\_\_ to \_\_\_\_\_

The following should be included in the report:

**A. Progress in meeting Regional Housing Need**

1. Total number of new housing permits issued
2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit
3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

**B. The effectiveness of the housing element in attainment of the community's housing goals and objectives**

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
2. Assess effectiveness of actions and outcomes

**C. Progress toward mitigating governmental constraints identified in the housing element.**



# WFH Award Process



- All eligible applicants will be funded
- The program does not use a competitive process among applicants
- If the program is oversubscribed, funds will be prorated among applicants
- Grant award announcements anticipated June 2005
- Standard Agreement with the State required (including monitoring and reporting)

# WFH Program Awards

## Production Award

- Funds awarded on a per bedroom basis
- New residential construction (housing units as defined by the Census)

## Grant amounts per bedroom:

- \$2,000 per bedroom for units affordable to very low-income households
- \$1,500 per bedroom for units affordable to low-income households
- **JHB & RHNA Bonuses**



# WFH Bonus Awards



**JHB Bonus** – For grantees of the 2003 Jobs Housing Balance Incentive Grant Program

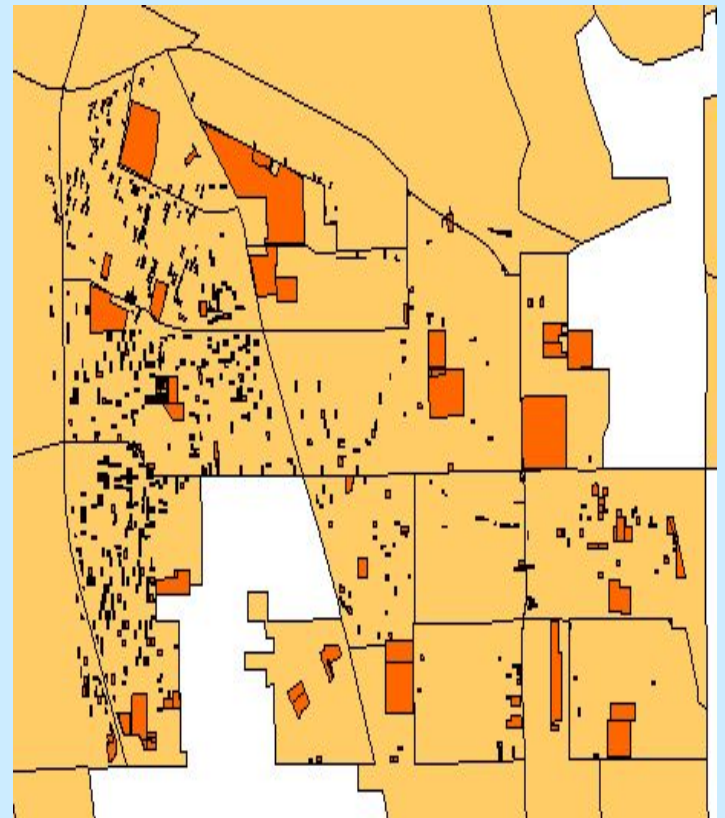
- \$500 per bedroom for very low- and low-income units

**RHNA Bonus** – For jurisdictions that meet targeted percentage of the total Regional Housing Needs Allocation (RHNA)

- \$150 per bedroom for very low-income
- \$100 per bedroom for low-income

# Regional Housing Needs Allocation (RHNA)

- RHNA is the share of housing need allocated by the appropriate Council of Government (COG) or HCD for each jurisdiction's housing element update
- HCD will calculate which applicants qualify for the RHNA bonus on the basis of permits reported by the Construction Industry Research Board (CIRB), State Department of Finance (DOF), or Census, relative to total RHNA



# RHNA Bonus Formulas

Target shares of total RHNA to be met by jurisdictions within each Council of Government (COG) by the end of 2004

	<b>Balance of State</b>	<b>SACOG, AMBAG, Fresno, Kern</b>	<b>ABAG</b>	<b>SCAG</b>	<b>SANDAG</b>
<b>Years in Cycle as of 12/04</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>6.5</b>
<b>% of RHNA for 12/04</b>	<b>60%</b>	<b>72%</b>	<b>84%</b>	<b>96%</b>	<b>108%</b>

\* Please refer to Housing Element Update Schedule Handout for a list of Council of Governments and planning period dates

# Fremont Mews

## City of Sacramento

### 119 Mixed Income Apartment Project

Final Land Use Approval & Building Permit Issued in 2004

#### 24 Very Low - Income (VLI) Households

- 4 studios (counted as a one- bedroom unit)
- 14 one-bedroom
- 6 two-bedroom

#### 25 Low - Income (LI) Households

- 5 studios (counted as a one-bedroom unit)
- 14 one-bedroom
- 6 two-bedroom







## **Fremont Mews – City of Sacramento**

### **Award calculations**

18 VLI Units x 1 Bdrm x \$2,000/Bdrm = \$36,000

6 VLI Units x 2 Bdrms x \$2,000/Bdrm = \$24,000

Subtotal **\$60,000**

19 LI Units x 1 Bdrm x \$1,500/Bdrm = \$28,500

6 LI Units x 2 Bdrms x \$1,500/Bdrm = \$18,000

Subtotal **\$46,500**

• WFH Base Award = **\$106,500**

• JHB Bonus (61 Bdrms x \$500) = **\$ 30,500**

• RHNA Bonus VLI (30 Bdrms x 150) = \$4,500

• RHNA Bonus LI (31 Bdrms x 100) = \$3,100

= **\$ 7,600**

**TOTAL WFH AWARD** = **\$144,600**

# WFH Final Land Use Approval

- **Must have occurred on or after January 1, 2004**
- **Final action in planning process prior to permit issuance**

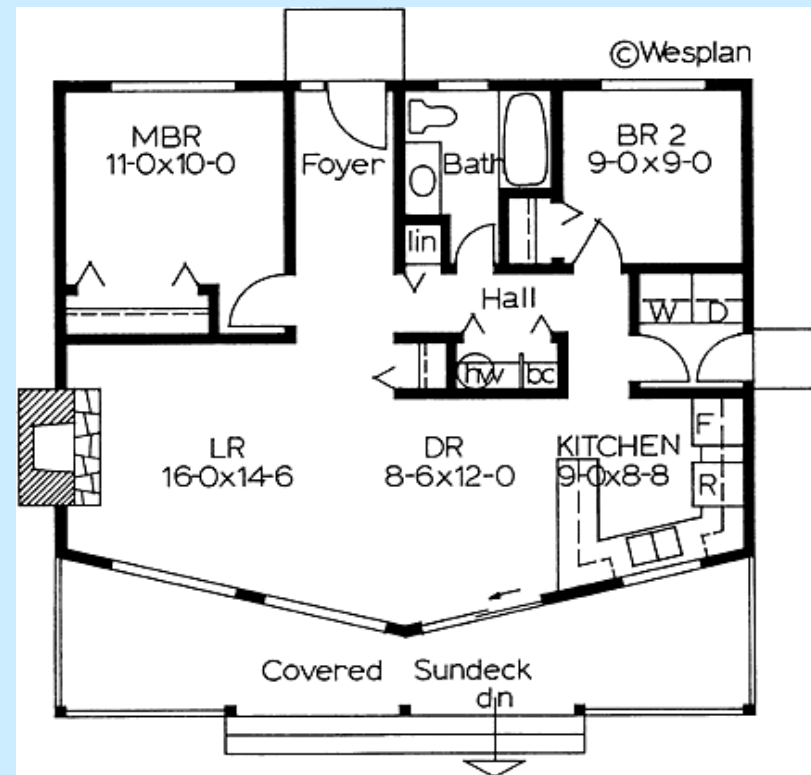
Examples of documented Final Land Use Approval:

- ✓ Specific Plan Approval
- ✓ Design Review Approval
- ✓ Vesting or Final Map Approval
- ✓ CUP/Variance Approval
- ✓ Disposition and Development Agreement Approval
- ✓ Site Plan Approval
- ✓ Regulatory Agreement Approval
- ✓ Plan Check Approval



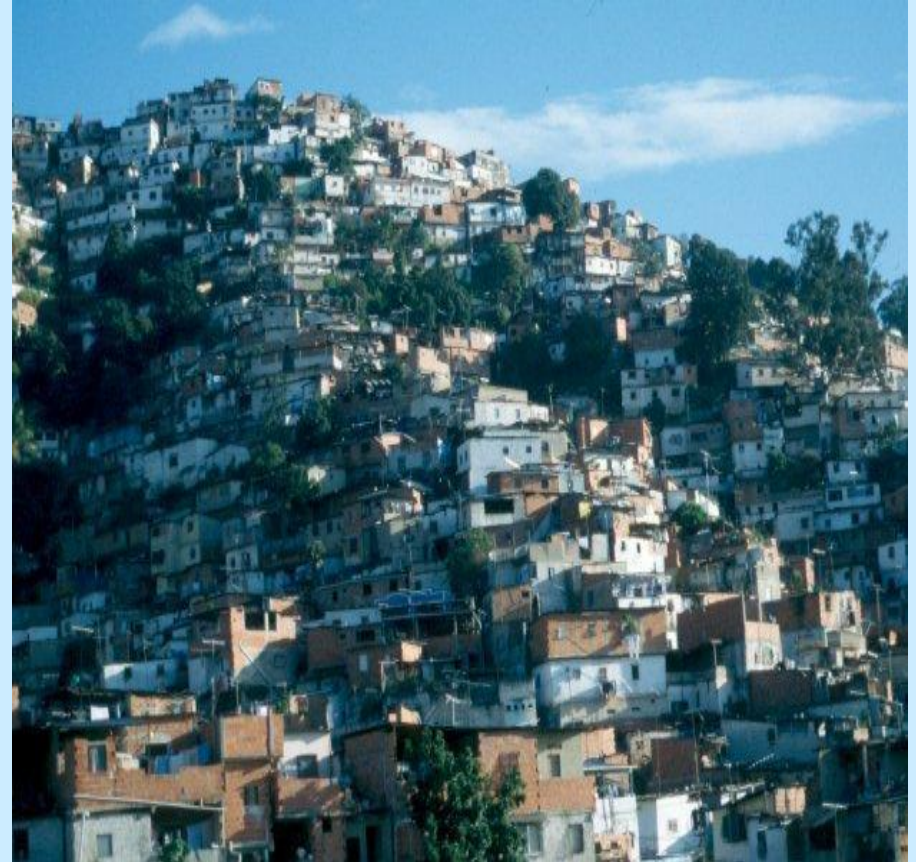
# Examples of Bedroom Count Documentation

- ✓ Building Permit
- ✓ Plan Check
- ✓ Design Review
- ✓ Approved Project Description for Subsidized Project



# Tracking Affordable Units

- Permit Application and/or Building Permit
- Number of Bedrooms
- Affordability (Very Low- & Low-Income)
- Progress in Meeting RHNA for bonus



# Household Income Limits

## for Occupancy of WFH Eligible Units

- Household incomes must not exceed the HCD published income limits for very low- and low-income households
- Cities and Counties must use the published income limits available when the subsidy was committed
- Income limits by county listed on HCD's website:  
[www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html](http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html)

# WFH Rental Restrictions

- Units restricted to either very low- or low-income households
- Tenant subsidies or rents must not exceed amounts allowed by State or Federal housing assistance programs
- Recorded covenants restricting occupancy and rental affordability for units are to be in effect for at least **55** years



# WFH Ownership Restrictions

- All units must initially be restricted to very low- or low-income households at time of purchase
- When unit affordability has been attained with public subsidies, the ownership unit must have a recorded restriction on the resale or recapture of public funds for not less than **20** years
- Affordable ownership units without public subsidy must document initial occupancy restricted to very low- or low-income households

# Home Purchase Price Limits

- All ownership units must have a sales price no greater than the applicable new construction purchase price limits established and published by the California Housing Finance Agency (CalHFA)
- New construction purchase price limits are listed on the CalHFA website:

[www.calhfa.ca.gov/homeownership/rates-limits/salesprice/index.htm](http://www.calhfa.ca.gov/homeownership/rates-limits/salesprice/index.htm)

# Use of WFH Funds



- Funds must be used for the construction, rehabilitation or acquisition of capital assets that serve to benefit the community (Government Code Section 16727)
- Physical property with a useful life of 15 years or more
- Equipment with a useful life of two years or more

# Examples of Capital Asset Projects



Police and Fire Stations & Equipment  
Americans with Disabilities Act Retrofits  
Libraries & Other Public Facilities

Street Improvements  
Community Centers  
Historic Preservation

Downtown Revitalization  
Public Infrastructure  
Parks and Recreation

# WFH Dates to Remember



- Final Land Use Approval & Building Permit Eligibility Period 1/1/04 to 12/31/04
- Prior Year Annual Report to HCD 10/31/04
- Adopted Housing Element found in compliance with State law 12/31/04
- Release of Application 12/04
- Tentative Application Deadline 03/05
- Tentative Award Announcement 06/05

# Workforce Housing Incentive Grant



Program Guidelines, Notice Of Funding Availability and helpful links  
available on our website:

[www.hcd.ca.gov/ca/whrp/](http://www.hcd.ca.gov/ca/whrp/)

Please complete our evaluation - include any additional WFH questions



# Workforce Housing Contacts

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**Division of Housing Policy Development**

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